



# Illinois Department of Revenue

# Informational Bulletin

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## For information or forms...

- Call us at:  
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Illinois Department of Revenue  
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This bulletin is written to  
inform you of recent changes;  
it does not replace statutes,  
rules and regulations, or court  
decisions.

## Retailers' Occupation Tax Exemption Ends for Vehicles Sold to be Rented for One Year or Less

All Businesses that file Form ST-556, Sales Tax  
Transaction Return

Beginning with vehicles delivered on or after September 1, 2007, Public Act 95-233 eliminates the exemption under the Retailers' Occupation Tax for vehicles sold to be rented for a period of one year or less.

At this time, purchasers are still exempt from Use Tax when they make this type of purchase.

### How does this change affect vehicle retailers?

- Retailers may no longer mark Exemption 5E, sold for rental use, on Form ST-556.
- Retailers are liable for Retailers' Occupation Tax on the selling price of the vehicle.

- Retailers are not authorized to collect tax from the purchaser but may seek reimbursement from the purchaser for their Retailers' Occupation Tax liability. To do so, **the retailer must separately state this amount as "reimbursement"** on the invoice or other purchase contract.

### Does this change affect the ART return filed by rentors?

No. There is no change to the way rentors are required to report on Form ART-1, Automobile Renting Occupation and Use Tax Return.

